GOVERNMENT OF INDIA
LAW , JUSTICE AND COMPANY AFFAIRS
LOK SABHA

UNSTARRED QUESTION NO:5743
ANSWERED ON:30.08.2001
NON-PAYMENT OF DEPOSITS BY PCML
CHANDRA NATH SINGH

Will the Minister of LAW , JUSTICE AND COMPANY AFFAIRS be pleased to state:

(a) whether Prudential Capital Markets Limited (PCML), Kolkata, mobilised a huge money as fixed deposits during 1993-97 and stopped payment of matured fixed deposits in 1998;

(b) whether the Company Law Board has received a number of complaints from the depositors; (

(c) if so, whether Company Law Board directed the said company on May, 27, 1998 to refund depositors` money within one year with interest and ordered GM, Reserve Bank of India, Regional Office, Kolkata, for monitoring and ensuring compliance of Company Law Board`s orders and take penal action against the company in case of default;

(d) if so, whether PCML has still not making payments to the depositors; and

(e) if so, the action taken by GM, RBI, Regional Office Kolkata, against the PCML?

Answer

THE MINISTER OF LAW, JUSTICE & COMPANY AFFAIRS AND SHIPPING (SHRI ARUN JAITLEY)

(a) :- The amount of fixed deposits mobilised by the company during the period 1993-97, as per the company`s balance sheets is furnished below:-

As on : (Rs. Lakh)

31.3.1993 Nil
31.3.1994 Nil
31.3. 1995 21.08
31.3.1996 4066.55
31.3.1997 7433.28

The Reserve Bank of India has conducted inspection of the company`s books of account and other records in June 1999.The inspection revealed that the company has not been making payments to the depositors as required in the CLB order dated May 27, 1998.

(b) & (c) :- Yes, Sir. The Company Law Board passed an order dated 27.5.1998 directing the company to make repayment to the depositors in a phased manner within a period of four and half years.

The Company Law Board vide its above order had directed the RBI to take appropriate action against all concerned in case of non-compliance of the said order under relevant provisions of RBI Act, 1934.

(d) & (e) :- The Reserve Bankof India has conducted inspection of the company`s books of account and other records in June 1999. The inspection revealed that the company has not been making payments to the depositors as required in the CLB Order dated May 27, 1998. Consequently, the RBI has filed a criminal complaint under Sec. 58E(1) read with Sections 45QA and 58B(4AAA) of RB Act, 1934 on November 16, 1999 before the Chief Metropolitan Magistrate, Calcutta against the Company and its directors for non-compliance of the Company Law Board Order. Since then several hearings have taken place in the matter from time to time. However, the Court has not passed any final order so far and the case is still pending. The next date of hearing has been fixed for September 12, 2001.